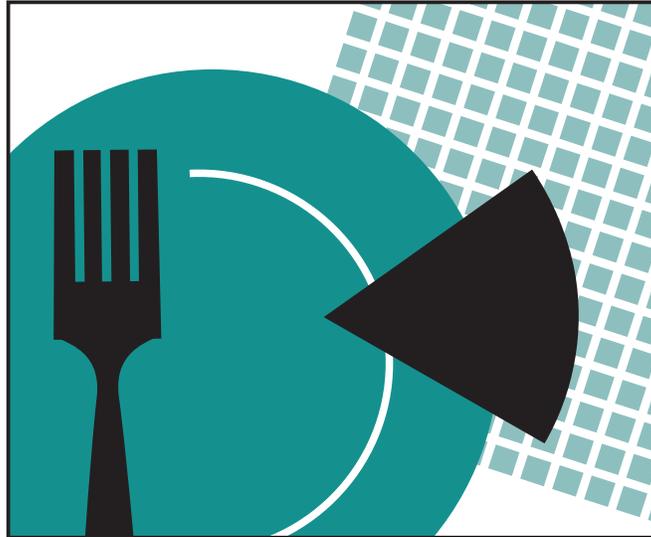

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FoodReview (ISSN 1056-327X) is published three times a year by the Food and Rural Economics Division, Economic Research Service, U.S. Department of Agriculture.

Send questions, requests, and editorial comments to *FoodReview*, Room 2005 USDA, 1800 "M" Street, NW., Washington, DC 20036-5831.

Annual subscriptions are \$21.00 to U.S. addresses (\$42.00 foreign). Call toll-free 1-800-999-6779 (weekdays, 8:30-5:00 ET) to charge your order to American Express, Visa, or MasterCard (callers outside the United States, please dial 703-605-6220). Or, order by mail from ERS-NASS, 5285 Port Royal Road, Springfield, VA 22161. Make your check or money order payable to ERS-NASS. Please include your complete address and daytime telephone number. Sorry, but refunds cannot be issued.

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Spotlight on the U.S. Food System

Once again we take our annual look at what Americans are eating, where they are purchasing their food, how much they are spending, and related topics of interest to farmers, the food industry, policymakers, and consumers.

In 1996, the share of food expenditures spent away from home fell slightly to 45.8 percent from 46 percent in 1995. Spending at restaurants, fast-food outlets, and other eating places rose 2.8 percent in 1996, smaller than the 3.7-percent increase in food spending at supermarkets, specialty foodstores, and other retail outlets.

With the economy growing, the overall unemployment rate at 5.4 percent for 1996, and incomes for many American households rising, why is spending for food away from home slowing? Are we eating out less often, or are we spending less when we eat out? Burger wars and value meal deals have kept fast-food outlet prices low, which may have slowed the growth in away-from-home food spending. Also, time-pressed consumers may be abandoning pricey, upscale restaurants for the growing number of more moderately priced, quick-service chains like Boston Market and Kenny Rogers Roasters.

Or consumers may be bypassing eating places, opting instead to pick up fully prepared dinners at the local supermarket. Grocery store deli departments have expanded into full-service offerings of "meal solutions" containing fully prepared entrees and side dishes (which carry a higher price tag than the raw ingredients). These options have contributed to the higher growth in at-home food spending during the last few years.

The abundance and variety of foods offered are also behind the growth in at-home food spending. Imported foods are capturing a growing role in our diets. For example, imports now account for 13 percent of our fresh fruit consumption (excluding bananas) compared with 7 percent 10 years ago, and for 9 percent of the rice we eat, up from 2 percent a decade ago. A strong dollar relative to other currencies has made imported foods relatively less expensive for U.S. consumers. In 1996, we imported \$27.8 billion worth of processed foods—up 11.2 percent over 1995, while exports of processed foods grew only 2.5 percent to \$30.1 billion.

With food safety remaining a pressing concern, this issue of *FoodReview* reports the latest estimates of the cost of foodborne illness—and for the first time includes costs of foodborne-related Guillain-Barré syndrome, the leading cause of acute paralysis in the United States. Seven foodborne illnesses alone cost society \$6.6 billion to \$37.1 billion in medical costs and lost productivity in the United States in 1996 (the wide range reflects the uncertainty over the number of cases that occurred and how to value a premature death). USDA's Economic Research Service is continually refining the estimates to help identify the most serious food-safety problems and seek the most cost-effective solutions.

Rosanna Mentzer Morrison
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